

سكنا من الامل

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 34,070

37/92

PARIS, FRIDAY, SEPTEMBER 11, 1992

ESTABLISHED 1887

Israel and Syria Negotiate Broad Principles of Peace Rabin Cites Readiness to Compromise, Assad Calls for a 'Peace of the Brave'

By Youssef M. Ibrahim
JERUSALEM — Israel and Syria are negotiating the formulation of a joint public document setting broad principles for negotiating a peaceful settlement between the two countries, Israeli officials say.
The negotiations are the latest in a series of signals by the two countries that they are ready to end more than four decades of enmity in a settlement involving an Israeli withdrawal of troops from the Golan Heights in return for Syria's acceptance of a peace treaty with Israel.

...ally refused to relinquish any parts of the strategic area.
Israel's former housing minister, Ariel Sharon, a leading proponent of holding on to the Syrian territory, said Thursday that Mr. Rabin's Labor-led government was already taking measures to prepare for a withdrawal of troops from the Golan plateau. He said that teams of army photographers were taking pictures of the border in anticipation of such a move. This could not be independently verified.
Spokesmen for some of the 13,000 Jewish settlers in the Golan Heights have already announced plans for protests against Mr. Rabin's government.



Vladimir Zhirinovskiy, a Russian nationalist, protesting Thursday at the Japanese Embassy in Moscow against ceding the islands.

Japan Agonizes Over Yeltsin's Rebuff

By David E. Sanger
TOKYO — Boris N. Yeltsin's sudden rebuff to Japan over a bitter territorial dispute unleashed an unusual round of re-reminders in Tokyo Thursday, prompting accusations that the Japanese government had attempted to bulldoze the embattled Russian leader, and lost its best chance in decades to end a Cold War dispute that has lingered over Asia for decades.

...ed trip here, after repeated warnings to Japan not to pressure him for territorial concessions, Japanese politicians and bureaucrats focused on a single question: Who lost the Russians?
Much of the blame for what the Japanese press dubbed the "Yeltsin Shock" was focused, not surprisingly, on rightist groups in Moscow who had seized on the issue as a matter of national honor. But in a rare split on a major national foreign policy initiative, there were also widespread charges Thursday that Tokyo had unwisely allowed latent nationalist instincts to prevail in its dealings with a longtime rival. It pushed the embattled Russian president too far, wildly misjudged the depth of public sentiment in Moscow, and ultimately set its own cause back by...

...government still being trapped in its Cold War thinking, when Japan was always protected by the United States," Haruki Wada, a professor of Russian history at the University of Tokyo and a vocal critic of Japan's policy, said Thursday, hours after returning from Moscow.
"Everyone was so intent on exploiting the moment that no one stopped to listen to the Russians," he said, or seriously consider arguments that large-scale aid to Russia should now take priority over the re-acquisition of a group of ice-encrusted volcanic islands.
Variations of Mr. Wada's analysis popped up around the country. The governor of Hokkaido, the Japanese territory closest to the disputed region, told reporters that Japan had "aimed to gain 100 points, and eventually..."

Moscow Question: Why So Much Ado?

By Serge Schmemmann
MOSCOW — After voluntarily pulling out of Afghanistan and Eastern Europe and watching their huge empire crumble, the Russians suddenly drew the line at four obscure islands off Japan — alienating, in the process, a major potential benefactor.
That, at least, was the impression left Thursday after President Boris N. Yeltsin abruptly postponed a trip to Japan on Wednesday. A wave of public discontent had made it virtually impossible for him to grant the Japanese even a tentative pledge of eventual sovereignty over the four islands, in the Kuril chain, which were claimed by the Soviet Union after World War II. Japan refers to the islands as the Northern Territories.

...ion was why Russia and Japan — two countries with every apparent incentive to mend relations — could allow a relatively minor territorial dispute to grow to such damaging proportions.
In both countries, the triumph of nationalist sentiments over rational foreign policy suggested immaturity and insecurity.
In Moscow, the question was what this demonstration of the public mood augured for Mr. Yeltsin as he faced political contests far more consequential and contentious than four distant and sparsely settled islands.
By any objective standard, the Kurils carry nowhere near the strategic or economic significance of Afghanistan or East Germany, not to mention Ukraine or Belarus. Yet none of the other territories had roused the sort of public passion that the islands did in the weeks preceding Mr. Yeltsin's scheduled visit.
So fervent was the campaign mounted by...

...the "national-patriotic" right that it carried on even after Mr. Yeltsin canceled the trip.
A protest march against yielding the islands wound through Moscow on Thursday, and Pravda carried a large photograph of Russian soldiers on the islands under the headline, "We'll hold the Kurils — we will defend Russia."
For many months now a public backlash has been building against all the bewildering and rapid changes in the land, both economic and political.
It was evident in greater resistance to economic reform, in the claims to Crimea, in a new resentment of the West, and in the consolidation of conservative opposition groups, ranging from die-hard Communists and nationalists to managers of state-owned industries and military men.
In the end, it was the very obscurity and simplicity of the Kuril issue that gave it such force and made it so useful for the forces of...

Lira Fades as Italy Debates Economic Rule by Decree

By Tom Redburn
The lira came under intense downward pressure on Thursday as traders in the turbulent European currency markets turned from Nordic problems to doubts that Rome's extraordinary request for emergency economic powers would succeed in staving off devaluation.
Despite active support from both the Bank of Italy and the Bundesbank, the lira fell again to the bottom of its official range against the Deutsche mark. Prime Minister Giuliano Amato of Italy appeared to face an uphill battle to persuade Parliament to grant his government the right to adopt austerity measures by decree for the next three years.

...policy of not weakening the British currency within the exchange-rate mechanism of the European currency grid.
"Would Britain devalue with the other currencies in any possible reorganization of the exchange-rate mechanism? A senior government official asked rhetorically. "The answer is no," he said. "We would stick at 2.95 marks," the central value for the pound.
The pound recovered some ground on Thursday, to around 2.7900 DM from its low on Wednesday of 2.7812 DM. Its official floor in the European currency grid is 2.7780 DM.
In Rome, Mr. Amato went to the Senate on Thursday to explain his proposal to allow the government to cut state spending and raise taxes at any time the head of the central bank declared that a crisis in currency or money markets was a threat to the economy. While limited to the economic sector, the proposal probably marks the first time that a West European government has sought such sweeping powers since de Gaulle was allowed by French lawmakers to rule briefly by decree during the Algerian war emergency of the late 1950s.
"The proposal is an attempt to arrest the slow and dangerous erosion of democracy," Mr. Amato said.
But Italian legislators, despite their notorious inability to tame reckless public spending, appeared reluctant to accept the government's argument that they should agree to curtail democracy in order to save it.
"To take away Parliament's powers for three...

Even a French 'Yes' Won't Dispel New Gloom in EC

By William Drozdiak
BRUSSELS — Barely a week before French voters go to the polls to decide the fate of the Treaty on European Union, a sense of gloom has descended over European Community headquarters, whose officials and diplomats fear that the march toward a more united continent may soon succumb to political paralysis even if the French say yes.
The optimism that fueled European ambitions to become the world's next superpower has evaporated. Even though preparations are nearly complete for the creation of a single market at the end of this year, Community officials see little but trouble on the horizon.
Nearly all of the EC's 12 governments are facing escalating political trouble as a result of...

...a flood of immigrants from Eastern Europe and North Africa, a deepening recession, and spreading civil war in the Balkans. All of those problems seem likely to grow worse in the months to come, eroding the ability of the Community, with its weak leadership, to undertake initiatives.
In Germany, Chancellor Helmut Kohl has suffered the sharpest criticism of his 10 years in office because of the government's clumsy handling of racist violence and the ballooning costs of incorporating the East. In France, President Francois Mitterrand remains unpopular because of high unemployment and public disgust with corruption scandals, while Prime Minister Jean Major is being attacked for failing to reverse Britain's economic decline.
Meanwhile, the fragile ruling coalitions in...

...Italy, Belgium and the Netherlands are reluctant to make any moves that could alienate their tenuous support and possibly provoke their collapse.
"The Community has always achieved the greatest progress toward unity in times of political stability and economic prosperity," explained a European ambassador with long experience in EC matters. "Now that things are shaky, with recession getting worse and politicians getting nervous, I am afraid that the best we can hope for is to keep Europe from breaking apart."
In 1973, just after European leaders agreed on a blueprint for economic and monetary union by the end of the decade, the Community was shattered by an Arab oil embargo and recession that sent member states scrambling to...

...salvage their interests and secure their energy supplies.
The Community remained mired in a state of "Euroclerosis" until the EC Commission president, Jacques Delors, managed to win political consent in 1986 to tear down remaining trade barriers to create a single market for 340 million citizens. From that vision, sustained by the affluent years of the late 1980s, came the drive to invest Europe with a single currency and common foreign and security policies as called for in the Maastricht treaty.
The sudden ascendancy in France of those who question the merits of political and economic union has come as a shock to the architects of the Maastricht accord. The latest opin-

Table with market data: Dow Jones (33.77 up), Trib Index (0.21% up), The Dollar (1.4258), Pound (1.958), Yen (123.65), FF (4.8685), General News (France approves if Taiwan decides on Mirage jets), Business/Finance (ING plans a bid for Banque Bruxelles Lambert), The Dollar (ING plans a bid for Banque Bruxelles Lambert), The Dollar (ING plans a bid for Banque Bruxelles Lambert), The Dollar (ING plans a bid for Banque Bruxelles Lambert).



DUET — Luciano Pavarotti and Elizabeth Holleque, during a dress rehearsal in London of Puccini's "Tosca," which will inaugurate the Covent Garden opera season on Saturday.

A Mock State's Real Woes

By Bill Keller
BISHO, South Africa — The make-believe country of Ciskei has a shiny "international" airport capable of landing a Boeing 747, in case one ever attempts to visit this curious figment of apartheid.
It has 846,000 inhabitants who were not consulted in 1981 when they were stripped of South African citizenship and gerrymandered into one of 10 tribal homelands to protect white control of the wealthy remainder of the country.
Ciskei has a foreign service with a single ambassadorial posting, to the only country that recognizes its sovereignty, South Africa.
It has its capital in Bisho, a miniature pastel metropolis with a three-block downtown, a hotel-casino complex where South Africans can enjoy the blackjack tables forbidden a mile away in their own country, and high-walled compounds where government ministers and business executives...

...dwelt in luxurious isolation from Ciskei's wretched poverty.
It has its own development bank, its own army and its own diminutive military dictator, Brigadier Oupa J. Gqozo, who boils with rage when he is ridiculed as a puppet of South Africa.
"I need some help to make the world realize that I am a very serious leader," he pleaded during an interview last Friday.
Three days later his army fired a seemingly interminable machine-gun fusillade at protesters marching on his capital, killing at least 24 and convincing many that if he is not a serious leader, he is at least part of a serious problem.
Having manufactured these mock states, entrenched their rulers in positions of power and small-time luxury and employed them as surrogates to divide the black political opposition, South Africa now seeks to undo the experiment by reunifying its territory.
But as the brigadier served bloody omelet on...

سكرا من الامل

CAMPAIGN '92 / QUAYLE AND 'THE CULTURAL ELITE'

Odd (and Successful) Couple: Vice President and Chief Aide

By Kevin Sack
New York Times Service

WASHINGTON — When most everyone else at Harvard was marching against the war in Vietnam, William Kristol was defending it as a righteous cause. When they were rallying for the equal rights amendment to the U.S. Constitution, he was testifying against it at a Senate hearing.

When Marilyn Quayle reminded the Republican convention last month that "not everyone joined the counterculture," perhaps it was Mr. Kristol, her husband's chief of staff, she had in mind.

The relationship has proven mutually beneficial beyond imagination. It has given the vice president the intellectual cachet and strategic discipline he so badly needed.

Mr. Quayle believes that news reports characterizing Mr. Kristol as "Dan Quayle's brain," as the magazine The New Republic did in 1990, are just the latest evidence that the press refuses to treat him fairly.

He's used the term to refer to people who look down on middle-class bourgeois values," Mr. Kristol said. "It's bourgeois snobbery, and I think that's worth criticizing."

ELECTION NOTES

Alabamian is Confirmed as U.S. Judge

WASHINGTON — After two days of angry debate in which election year politics were over far from the surface, the Senate confirmed Edward E. Carnes, an Alabama prosecutor, to an important federal appeals judgeship.

An assistant state attorney general, Mr. Carnes is widely known for his skills in arguing death penalty cases. He will take a seat on the Court of Appeals for the 11th Circuit, in Atlanta, where he has won several rulings in capital cases.

Mr. Carnes's nomination, with its heavy emphasis on issues of racial fairness, had touched off a debate with passions unmatched since Clarence Thomas was confirmed last fall to the Supreme Court.

Robertson is Thriving on 'Citizen Action'

CHESAPEAKE, Virginia — Under the aegis of a tax-exempt and supposedly nonpartisan "citizen action" organization, the television evangelist Pat Robertson has raised more than \$13 million for an ambitious and largely unheralded foray into electoral politics.

Since it was founded in 1989, Mr. Robertson's Christian Coalition has in many ways eclipsed the impact of the defunct Moral Majority, tapping state and local affiliates to achieve majorities or near majorities on Republican central committees in more than a half-dozen states and by placing 300 members as delegates to last month's Republican National Convention.

Now Mr. Robertson, an unsuccessful Republican presidential candidate in 1988, is planning a huge, get-out-the-vote effort for this year's November elections, including "in-pew" registration at churches, the distribution of up to 40 million "voter guides" on "family" issues and the use of computer-assisted telephone banks to help elect favored candidates in key races.

Some Republican strategists, while privately embarrassed by some of Mr. Robertson's language, acknowledge his activities may be decisive in bringing out Republican voters in some southern and border states, a political calculus underscored by President George Bush's plans to speak here Friday night before 1,100 Christian Coalition activists expected to attend the group's second annual "Road to Victory" conference.

Quote-Unquote
"We do not need to raise taxes in this country. I found out the hard way. I went along with one Democratic tax increase and I'm not going to do it again. Ever, Ever." — President George Bush. (AP)

BUSH: Reworking Image

(Continued from page 1)
close to election time into believing that the president actually meant what he said.

In Detroit, Mr. Bush characterized Mr. Clinton's economic vision as a "mirage," saying the Democrat, who leads in opinion surveys, wants the government to accumulate capital by taxing and borrowing, then redistributing wealth.

The Bush-Quayle campaign bought five minutes of time on the major television networks Thursday night to reinforce the president's Detroit message.

Some of the president's new proposals followed similar plans outlined by Mr. Clinton. The Democrat previously had vowed to cut the White House operating budget by 25 percent. He had pledged to require an annual 3 percent cut in operating expenses by every federal agency.

Earlier this year, the president vetoed an economic stimulus package that he otherwise supported because it contained an increase in the income tax on millionaires.

Mr. Clinton's plan for recovery combines a range of spending programs on infrastructure construction and high-technology development, and on worker training and education, combined with tax incentives for civilian research and small businesses.

Iran-Contra Case 'Virtually Done'

By Ronald J. Ostrow
Los Angeles Times Service

WASHINGTON — Lawrence E. Walsh, having decided not to seek the indictment of former President Ronald Reagan and the former White House chief of staff Donald T. Regan in connection with the Iran-contra scandal, says his investigation is "virtually done."

While some "cleanup work" remained, the independent counsel said in an interview, it should be finished in about a week to 10 days, bringing the six-year investigation to a close.

He declined to rule out the possibility of any future indictments, noting that a few interviews remained. He likened this stage of the investigation to "a supersaturated solution" in which "adding one more crystal brings it to a head."

Recipient of Baboon Liver Had HIV

PITTSBURGH — A man who lived for more than two months after becoming the first person to receive a baboon's liver infected with the AIDS virus, according to a hospital spokeswoman.

The 35-year-old patient died Sunday at the University of Pittsburgh Medical Center after suffering a stroke. His identity was never revealed.

Hospital officials said the man had not developed AIDS symptoms, and they cited the hospital's policy of not carrying out transplantations on AIDS patients. They did not say why they were revealing his HIV-positive condition now.

At the time of the June 28 transplant, the man had been near death from hepatitis B, a liver disease.

Doctors said the relatively healthy condition of the baboon liver when the patient died had encouraged them to continue with the experimental transplant program, and the university's ethics board has cleared the transplant team to perform three more of the operations.

The man was pronounced dead after falling into a coma when doctors tried to wean him from a respirator as he was recovering from an infection.

He and other doctors said initial results indicated that rejection of the baboon liver had not been the cause of the patient's death.

Navy Disciplines Officer In Nude Photo Affair

By John Lancaster
Washington Post Service

WASHINGTON — A senior officer on the faculty of the Naval War College was forced to resign last year after asking female navy employees to pose nude for shipboard training posters on "safety, fitness, nutrition" and other topics, according to navy officials.

Captain Laurence F. Gebhardt was dismissed after a navy investigation that began in December 1990, when he asked a civilian employee at the college, Nancy Campagna, to pose in "pinup" training photographs for use on ships deploying to the Gulf, according to a copy of a lawsuit she filed against him this week in Rhode Island, where the college is based.

Captain Gebhardt, a submariner, had served previously as director of strategic nuclear weapons training at the U.S. Naval Submarine School in Groton, Connecticut, and on the staff of the U.S. Naval Forces Commander in Europe, navy officials said. He commanded a Poseidon ballistic missile submarine, the Alexander Hamilton, from 1981 to 1986.

The disclosure follows months of negative publicity surrounding the Tailhook sex scandal, which involved assaults and misconduct at a convention of naval aviators in Las Vegas last year. That episode, which is still under investigation by the Pentagon inspector general, forced the navy to confront what critics described as a pervasive atmosphere of sexual harassment and discrimination.

Navy officials said Captain Gebhardt had photographed other women in revealing poses over the years, including several who apparently posed in a classroom submarine trainer at the submarine school in Groton. A senior official said, however, that none of the 10 or so other women had complained about the experience and that some had been photographed in the presence of mothers and husbands.

Captain Gebhardt, 50, first approached Mrs. Campagna through an anonymous letter in which he asked her to "work with me on a fun but outrageous project," according to a copy of the letter included in the lawsuit.

A senior official said investigators had been unable to confirm whether any of the finished products were actually posted.

The letter was signed only "project coordinator" and directed Mrs. Campagna to leave a message on a college bulletin board if she was interested. She feared for her safety and promptly described the letter to superiors.

Captain Gebhardt was charged with conduct unbecoming an officer and fined \$1,000 in a nonjudicial proceeding.

Away From the Hustings



LOVE IN A CLOSED CLIMATE — Jan Davis and Mark Lee, who are to be the first married couple in space, posing at Cape Canaveral, Florida, in front of Endeavour, in which they and five others are to depart for a weeklong mission Saturday.

After an emotional debate over the U.S. future in space, the Senate voted to continue funding for the controversial, \$30 billion space station Freedom. By a vote of 63 to 34, the Senate rejected a spirited effort by Senator Dale Bumpers, Democrat of Arkansas, to withdraw financial support for the orbiting laboratory, which is to be launched piece by piece in a series of shuttle trips beginning November 1995.

CIA Will Disclose Its Secret Records On Nazi Recruits

New York Times Service

NEW YORK — In a change of policy that could provide new information about U.S. recruitment of Nazi war criminals after World War II, the Central Intelligence Agency said it has begun to systematically search its records with the aim of opening long-secret files to historians' scrutiny.

The CIA, which has been accused of shielding such contacts in the past, said it intended to make public the information, so long as it did not harm national security, regardless of its potential for embarrassment to the government.

Recent years have brought disclosures that U.S. intelligence protected such criminals as Klaus Barbie, the head of the German secret police in Lyon, and hired German scientists who had used slave labor and experimented on concentration camp inmates.

An agency spokesman, Mark Mansfield, said that the unit in charge of classifying secret material has been ordered "to search for and review all such records, including those previously released only in part, for declassification and transfer to the National Archives."

The disclosure policy was described as growing out of a commitment by the director, Robert M. Gates, to make the CIA "more visible and understandable."

A Strong Bond...

Advertisement for the Caran d'Ache fountain pen, featuring an image of the pen and text describing its quality and availability.

Large advertisement for the International Herald Tribune, listing subscription rates for various countries and offering a 46% discount off the newsstand price.

Paris Is on Board if Taiwan Wants Dassault Jets

Agence France-Press
PARIS — After months of hesitation over what it might do to relations with China, France has given approval for the sale of Mirage 2000-5 warplanes to Taiwan, authoritative French officials said Thursday.

China Warns U.S. on Wheat Deals

By Lena H. Sun
Washington Post Service
BEIJING — China, the No. 1 customer for U.S. wheat, suggested Thursday that it might stop buying American grain immediately if Washington went through with a plan to sell F-16 fighter jets to Taiwan.



RETRIEVING REMNANTS NEAR PINATUBO — Residents of Mabulacat, near Mount Pinatubo in the Philippines, carrying the few things they were able to salvage Thursday after mud engulfed their homes.

REAL ESTATE MARKETPLACE

Table with multiple columns for Real Estate For Sale, Real Estate For Rent, and Real Estate For Share, covering various regions like Paris, Belgium, and Switzerland.

MAYFAIR LONDON W.1. An outstanding interior designed third floor Apartment in an excellent Portered block 3/4 bedrooms (includes Master Suite with Private Sitting/Dressing room and luxurious Marble bathroom).

Channel Islands. OFFSHORE TAX HAVEN. Guernsey, UK Channel Islands. Deceased, Period (Over 1940).

GERMANY. PRIVATE SALE, luxury plot on the Baarweg, approximately 1000 sqm, good traffic, convenient location.

EATON PLACE LONDON SW1. Stunning three floor penthouse for sale adjacent to Eaton Square. Dining room, drawing room, study alcove, three bedrooms.

USA. Absolute Land Auction. 1063.5 acres more or less of Whitehall Co., IL, Grain & Livestock. Farmland to be offered in 4 parcels.

USA. OLIVENHIN, CALIFORNIA. 30 min. north of San Diego 1 1/4 acres, view of green rolling hills and country estates.

Herald Tribune. GOLF and RESORT. Present Your Property to Buyers - Sellers - Investors. Advertise your golf and resort property in the International Herald Tribune's special section on golf and resort properties.

FRANCE. Auction sale at the Palais de Justice de Paris on Thursday 24 September 1992 at 2:30 p.m. in one lot within a real estate complex.

AUSTRALIA. Private Sale: AUSTRALIA/Whitbread. Luxury residence near sea. Absolute privacy on 18 ha, subdivision potential.

PARIS. FAMOUS ESTATE. GARDA SUL LAGO. DIRECT SALE. Strong development potential, built 1970s modern villa.

PARIS. MAKE YOUR DREAM YOUR ADDRESS... IN VERDUN. Dilettante's dream, 200 sqm, just off Grand Canal.

PARIS. EXCEPTIONAL. LUXURY BUILDING. 200 sqm, 3 bedrooms, 2 bathrooms, 2nd floor, 2nd level, 2nd level, 2nd level.

PARIS. EXCEPTIONAL. MONTMARTRE, 10th arr. 100 sqm, 3 bedrooms, 2 bathrooms, 2nd floor, 2nd level, 2nd level.

USA. Private Sale: AUSTRALIA/Whitbread. Luxury residence near sea. Absolute privacy on 18 ha, subdivision potential.

USA. Private Sale: AUSTRALIA/Whitbread. Luxury residence near sea. Absolute privacy on 18 ha, subdivision potential.

USA. Private Sale: AUSTRALIA/Whitbread. Luxury residence near sea. Absolute privacy on 18 ha, subdivision potential.

USA. Private Sale: AUSTRALIA/Whitbread. Luxury residence near sea. Absolute privacy on 18 ha, subdivision potential.

Maxwell's Bankrupt Son Confronts Doleful Plight

The Associated Press

LONDON — Kevin Maxwell, fighting financial and legal troubles after the collapse of his father's publishing empire, went to an unemployment office Thursday. But his efforts to sign up for benefits got off to a shaky start: Having entered the wrong government building, he had to drive himself, in his silver Mercedes station wagon, to another one.

Mr. Maxwell, 33, the son of the late publishing magnate Robert Maxwell, was declared bankrupt last week by a court with debts of £406.5 million (\$798 million), Britain's biggest personal bankruptcy ever. He and his brother Ian also face conspiracy and fraud charges stemming from misuse of pension money in Maxwell companies.

Kevin Maxwell said Thursday that he was not on the dole — "not yet, anyway." If he qualifies, he would be eligible for up to £194.50 a week in unemployment benefits and income support for himself, his wife and four children.

Pandora Maxwell said that her husband "would very much like to work, but at the moment I think he's effectively unemployed."

"If he could find a job to fit in with his meetings and interviews with the police and various authorities, then I'm sure he would consider it seriously," she said. "He's a very well-qualified man and has a great deal of experience. I'm sure he would be a valuable asset."

TOKYO: Painful Yeltsin Rebuff

(Continued from page 1)

by got zero." The Asahi Shimbun, one of Japan's leading dailies, said the Yeltsin visit fell victim to "poor diplomacy by third-class politicians in a second-class economy."

The paper made it clear that it was referring to the Japanese, not to the Russians.

While the long-term effects of the sudden stalemate were unclear, Prime Minister Kiichi Miyazawa left little doubt Thursday that he thought any resolution of the islands issue was now years away.

In a country that often is lauded for the apparently seamless way that it merges business and government interests, however, the events of the last few days have shown that the formula is hardly foolproof. The country's elite seems sharply divided between those who say that a geographically small, resource-poor nation must never give up an inch, and those who argue that Japan is rich enough to afford placing the territory issue on hold until Russia is stable.

Business officials, who have been critical of the Japanese Foreign Ministry's preoccupation with the islands, said Thursday that they feared the trip's cancellation would doom any chance for Japan to make major investments in the Russian Far East for a number of years.

Moreover, diplomats here speculated that Japan would increasingly find itself in conflict with its Western allies over Russian policy. Though the United States has long supported Japan's position on the islands, Germany and other nations have grown testy about Japan's continued refusal to shoulder much of the aid burden for Russia.

"Yeltsin calculated that the international community is on the side of saving the Russian economy, not supporting Japan's egoistic

view about getting the islands back," Kuniko Inoguchi, a professor of political science at Sophia University said Thursday. "I think he calculated right."

For the Japanese, far more is at stake than just the islands, which Japan calls the Northern Territories. The dispute with Russia is by far the biggest foreign policy issue in which Japan is operating entirely on its own, rather than following in America's wake. Officials of the Foreign Ministry were clearly tiring Thursday of accusations that they had acted like rank amateurs.

The chief spokesman for the ministry, Masamichi Hanabusa, said in an interview that the bulk of the problem lay in Moscow, where Mr. Yeltsin "missed a good opportunity" to draft compromise language with Michio Watanabe, the country's powerful foreign minister and deputy prime minister.

Mr. Watanabe was dispatched to Moscow a week ago with a broad mandate to get a deal started. But according to the Japanese version events, he was snubbed, told that Mr. Yeltsin would reveal his cards only to Prime Minister Miyazawa. In Tokyo, this treatment was regarded as even more insulting than the cancellation of the trip.

The Japanese insist that they have not ignored Russia's needs. They have promised \$2.65 billion in aid, and said Thursday that another \$100 million would be forthcoming from the Export-Import Bank. But in the next breath, they often claim that the Japanese public would not accept massive aid to Russia unless the islands issue was resolved.

Asked whether Japan was now contemplating a change of course, providing more aid first and talking about territory later, Mr. Hanabusa said simply: "Our policy will remain unchanged in its important aspects."

MOSCOW: A Large Dispute Over 4 Small Islands

(Continued from page 1)

opposition. Nobody could seriously argue that Russia could or should reimpose control over, say, East Germany or Estonia, and on the domestic front the complexity of the economic disarray precluded simplistic slogans or demands.

But the Kuril issue was easy to understand — these were territories Russians had won fair and square, and the Japanese were being arrogant in their demands, especially in threatening to withhold aid unless the islands were returned.

Mr. Yeltsin's retreat before such feelings was welcomed by the rightists. "The decision taken by the

president seems natural and logical, and, I think, will raise his authority in the eyes of the public," wrote Vladimir Kuznetsovsky in the conservative Rossiyskaya Gazeta.

But the decision also carried ominous overtones. The immediate prospects for Russian-Japanese relations were not the most worrying. Most experts agreed that Japanese investments in Russia were likely to continue being determined more by prospects of profit than by national honor, and Western industrial powers were likely to continue pressuring Tokyo to bolster its aid.

At home, the postponement of the visit, however expedient, was

ultimately a victory for the right, which showed that it could win Mr. Yeltsin over on a major issue. From all indications, the Foreign Ministry under Andrei V. Kozirev had plugged for the visit all along and had prepared various compromise proposals on the islands.

Mr. Yeltsin postponed his visit in part to avoid a debilitating political clash on the eve of major battles over his cabinet and his economic program, which are expected when the parliament convenes next month. But in avoiding a bout over Japan, some commentators thought, he may have emboldened his opponents for the next round.

HOMELAND: A Mock Country

(Continued from page 1)

Monday, there is explosive disagreement about where these homelands fit in the post-apartheid order.

The African National Congress demands that homeland leaders it regards as inimical to democracy be replaced by impartial caretakers pending elections. The South African government insists it is "not in the business of replacing governments," as a spokesman put it.

The killings left Ciskei extremely volatile. Police and soldiers conducted door-to-door searches and were said to be arresting and beating participants in Monday's march. In the townships southwest of Bisho, residents burned the homes of Ciskei soldiers.

It was no surprise that the ANC chose Ciskei for Monday's march, which was aimed explicitly at toppling Brigadier Gqozo. The region, where the Xhosa and the British fought their frontier wars in the 19th century, is one of the ANC's most militant strongholds, and there have been many signs that the brigadier's position is wobbly.

Following the Ciskei killings, the ANC staged an uneventful march Wednesday against the tiny homeland of Ova Qwa, about 200 miles south of Johannesburg, along the northern border of Lesotho.

More ominously, its leaders said they were contemplating action against KwaZulu, the Zulu homeland and the domain of the ANC's bitterest and most powerful black political rival, Chief Mangosuthu Buthezi.

A visitor driving through the rolling pasture and voluptuous mountains of Ciskei finds no border posts to mark the frequent passage across the "international" border with South Africa.

But the boundaries are easily deduced from the standard of living. The cozy 19th-century English colonial towns, Queenstown, Fort Beaufort, King William's Town, are in South Africa. The sprawling townships and the barren rural settlements, Zwelithsha, Thornhill — those are in Ciskei.

The Indian Ocean port of East London is South Africa's automaking center. The neighboring slum of Mdantsane is Ciskei.

The brigadier readily admits that in economic terms, his republic is anything but independent. South Africa underwrites the budget that pays for the 30,000-member civil service and its perks, including the black bulletproof Range Rover that the brigadier favors and the Mercedes fleet of his cabinet.

South Africa trained and equipped the army — assisted by such a large contingent of Israelis that for a time the supermarket in Bisho had a kosher section.

South Africans — many retired or seconded from the South African government and military — still make up more than half the brigadier's cabinet and the leadership of his military and intelligence

services. The commander of the Ciskei Defense Force that fired its machine guns into the crowd on Monday, Brigadier Marius Oelshig, is on loan from the South African Army.

Almost inevitably, the homelands have tended to confirm all the worst prejudices of white South Africans about black rule. Stripped of the mapmakers of their assets, burdened with millions of impoverished blacks forcibly resettled from other areas and saddled in many cases with ruthless and corrupt rulers, they have deteriorated into wretched poverty and political frustration, hardly relieved by some spectacular scenery.

"You do admire the place when you see it," said Jeanette Mahonga, acknowledging the scenic mountains that surround her hometown of Seymoursteele. "If you could just flavor it with a bit of life."

Seymour, a farming center of about 18,000 people, is one place where blacks regard South Africa with nostalgia.

When "independence" was imposed in 1981, many whites fled, fearing the uncertainties of black rule. The tobacco farms that were the economic mainstay were sold cheap, locals say, either to absentee black landlords with the right connections or to subsistence farmers who use them to graze goats. The Kai River tobacco mill closed.

Seymour harbors one of South Africa's more wretched settlements of mud-brick huts and tin sheds. The primary school has a dirt floor and no electricity. The drinking water flowing to the few communal taps comes from a reservoir polluted by two cemeteries submerged in the rainy season.

Mrs. Mahonga, a member of the municipal council and a local leader of the ANC, said the town gets even shorter shrift than other pockets of poverty because it is known as strong ANC country, and Brigadier Gqozo despises the ANC.

Although Seymour seems more sleepy than militant, the brigadier keeps a tight lid on the town. Last Thursday, when 70 residents gathered to hear a pep talk about the march on Bisho, 50 heavily armed troops gathered outside while their commander ordered the meeting dispersed.



Druze leaders Thursday in the Golan Heights after visiting President Hafez Assad. He told them Syria sought "the peace of the brave."

MIDEAST: Israel and Syria Negotiate a Basis for Peaceful Settlement

(Continued from page 1)

English-language Jerusalem Post published a similar account Thursday morning.

While there was an official reaction from President Assad to the Israeli statements about a joint document, the Syrian ambassador in Iran, Ahmad Hassam, gave an interview to Abnar, a hard-line Iranian daily, that was published in Tehran on Thursday. "We are positive about recent Israeli interpretations on the Golan Heights," he said, adding that "Israel has recognized that the Golan is a Syrian land."

However, Farouk Shara, Syria's foreign minister, said in Doha on Thursday that Syria would accept nothing short of a total Israeli withdrawal from the Golan Heights.

A leading Israeli expert on Syria

an affairs who was a senior official in the departing government of Yitzhak Shamir, said that Syria was responding to peace openings from Israel out of necessity and had little choice but to find a compromise that would end with a peace treaty.

The expert, Yossi Olmert, who is a professor of Arab affairs, said signals from Syria have been coming for a long time, even before the June elections, with many messages delivered by Egypt and the United States in the last few months and Israeli answers relayed by the two countries to Syria.

"The Syrians have gradually tried to give more substance to the word peace," Mr. Olmert said in an interview.

Israelis Kill 2 Palestinians in Border Clash

Agence France-Press

JERUSALEM — Israeli border guards shot and killed two Palestinians and wounded a third during clashes Thursday in the occupied Gaza Strip after the Palestinians opened fire, an army spokesman said.

The dead men were among five who had shot at a patrol in the Shabura neighborhood of Rafah.

Border guards killed the two while the three others barricaded themselves in a house, the spokesman said.

A gun battle of several hours ensued before the Palestinians fled. The border guards shot and wounded one while the other two escaped.

The army imposed a curfew on Rafah but, according to Palestinian residents defied the order, taking to the streets in protest. This triggered more clashes.

Also Thursday, masked men killed a Palestinian in Gaza suspected of collaborating with the Israeli authorities, Palestinian sources said. Saber Abu Rahma, 40, was shot and killed at his home in the Nuseirat refugee camp.



AKIO MORITA, CHAIRMAN, SONY CORPORATION

People at the top read the Trib.

No lural bias. No national slant. No partisan viewpoint. Simply a balanced editing of the news for people with a stake in international affairs.

INTERNATIONAL
Herald Tribune
Published With The New York Times and The Washington Post

Our new business class.

Your better service.

When you travel frequently, comfortable and convenient flying is essential to your well-being. That's why we offer you a new and improved business class within Europe this fall. A preferential baggage claim

and an extended menu on board make travel easier and more enjoyable for you. In Lufthansa's new business class lounge in Frankfurt you can relax or prepare your next meeting when transferring.

These are only three among a variety of new product features we introduce to make business travel as pleasant as possible for you.

Our Lufthansa. Your airline.

Lufthansa

INTERNATIONAL HERALD TRIBUNE

Trade and the Campaign

The North American Free Trade Agreement is highly technical, and it will not greatly affect U.S. economic growth. But it has suddenly become important in the presidential campaign because, unlike the various pledges to reduce the deficit and create jobs, it is specific.

The Candidate of Change

The Republicans spent four days in Houston portraying themselves as the party of "family values" and the Democrats as the party of Sodom and Gomorrah. You remember the show; it got pretty nasty at times.

Trashing the Tax Truth

When President George Bush keeps insisting that Governor Bill Clinton of Arkansas has raised taxes and fees 128 times, he knows he is falsifying the record.

Other Comment

An Infection in Germany

Let us remember that at the end of the 1920s and the beginning of the 1930s, with the appearance of the oppressor Adolf Hitler, of accursed memory, there were those who took lightly his words of hatred.

Honecker's Error and the German Identity

By Jim Hoagland

WASHINGTON — Erich Honecker's rapid descent from VIP guest villa in Bonn to a prison cell in Berlin results from changed circumstances, not changed behavior.

His trial may help answer Europe's most important existential question: What is Germany?

quagmire worth entering. The trial may help answer Europe's most important existential question: What is Germany? As he sits in Moabit prison, Mr. Honecker can hardly escape thinking about the statesman's welcome he received on Sept. 7, 1987, in Bonn.

The Romanians Still Wait for a Western Embrace

By Flora Lewis

BUCHAREST — Romania, like the rest of Eastern Europe, is looking achingly to the West. There is such urgency in the feeling that two weeks before presidential and parliamentary elections the major candidates have left the hustings, one to visit the United States and Germany, the other, France, Spain and Italy.



'Jobs, Jobs, Jobs,' He Says, as the Numbers Decline

By Hobart Rowen

WASHINGTON — For months, optimists in the business community, especially those who fear a Clinton presidency, have been going through a process of denial about the state of the economy, hoping for a ray of sunshine among the bad statistics.

A Hard Landing Ahead

By Admiral Elliott Bowman Strauss

WASHINGTON — Interest rates, the weak dollar, the Federal Reserve Board's fine-tuning, the Clinton plan and the Bush plan (or the alleged lack of one) are only peripheral issues. The economic difficulties of the United States have one cause: For 50 years, and with great acceleration during the last 20, the public has demanded that the government provide services, handouts and subsidies that Americans have been unwilling to pay for.

WASHINGTON — For months, optimists in the business community, especially those who fear a Clinton presidency, have been going through a process of denial about the state of the economy, hoping for a ray of sunshine among the bad statistics.

WASHINGTON — For months, optimists in the business community, especially those who fear a Clinton presidency, have been going through a process of denial about the state of the economy, hoping for a ray of sunshine among the bad statistics.

Liars Tend To Skew The Polls

By Seymour Martin Lipset

F AIRFAX, Virginia — Recent American opinion polls have produced drastically different results. In surveys taken from Aug. 26 to Aug. 31, the gap separating Governor Bill Clinton and President George Bush ranged from 19 points in a Washington Post/ABC News poll to 5 points in a Louis Harris poll.

The most probable cause is that the polls are samples of different populations. The surveys for The Washington Post/ABC News, The New York Times/CBS News, The Los Angeles Times, the Wall Street Journal/NBC News and CNN/USA Today all reported on the views of people who say they are registered voters. The polls prepared by Time-CNN and Harris are of "likely voters."

Likely voters are those whom pollsters estimate will actually vote in November based on a number of screening questions about voting history and interest in politics.

One significant prediction follows from this. Expect a sizable increase in the support for President Bush when the pollsters start to screen intensively for likely voters next month.

Moreover, an interviewer's techniques and background — linguistic abilities and accent — can affect responses. The order in which the presidential question is asked can also change the outcome.

The writer, professor of public policy at George Mason University, is co-editor of the International Journal for Public Opinion Research. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Tension in Europe

PARIS — Relations between French and Belgian workmen are daily becoming more strained. Not only have blows been exchanged between the miners of both countries on French soil, but disputes have arisen on Belgian territory far from mining districts.

1942: An Aviator Unit

WASHINGTON — [From our New York edition:] The formation of a unit of 40 to 50 women pilots to fly for the Army Air Transport Command with Mrs. Nancy Harkness Love as their commander was announced today [Sept. 10] by Henry L. Henshaw, Secretary of War. Mrs. Love is 28 years old and the wife of Lieutenant Colonel Robert M. Love, deputy chief of staff of the Air Transport Command.

1917: Socialist 'Noise'

PARIS — In at least one respect the French Socialists are like the Irish Nationalists. They are against the Government on principle. They don't quite know what they want, but they do know that they want it badly, and they won't be happy till they get it — perhaps not even then. They are only a minority in the Parliament and a divided minority, but like the Na-

The writer, a retired U.S. admiral, has been an author and economic development consultant. He contributed this comment to the Herald Tribune.

Handwritten note: The change is 1.5%

An Impeach Evidence in

kr

OPINION

An Impeachable Offense? Evidence in a 1989 Memo

By William Safire

WASHINGTON — Did the Bush administration, eager to build up Saddam Hussein, interfere in the Atlanta U.S. attorney's investigation of Iraq's corruption of the Department of Agriculture? Has the attorney general committed an impeachable offense in refusing to permit a special prosecutor to investigate obstruction of justice, as Congress requested?

investigation, Attorney General William Barr's apologetic stated that "the words used in the calls did not include any attempt to influence or interfere, therefore "no interference occurred." President George Bush's lawyer claimed he was "seeking only publicly available information." If that were true, a computer search could have been made at the touch of a button.

In the space next to 'approve' are the secretary's initials, 'JAB III.'

East bureau, and Abraham Sofaer, then legal counsel. The issue for decision was whether to push for \$1 billion of U.S. grain credits to Iraq despite growing knowledge that Iraqi officials were breaking U.S. laws.

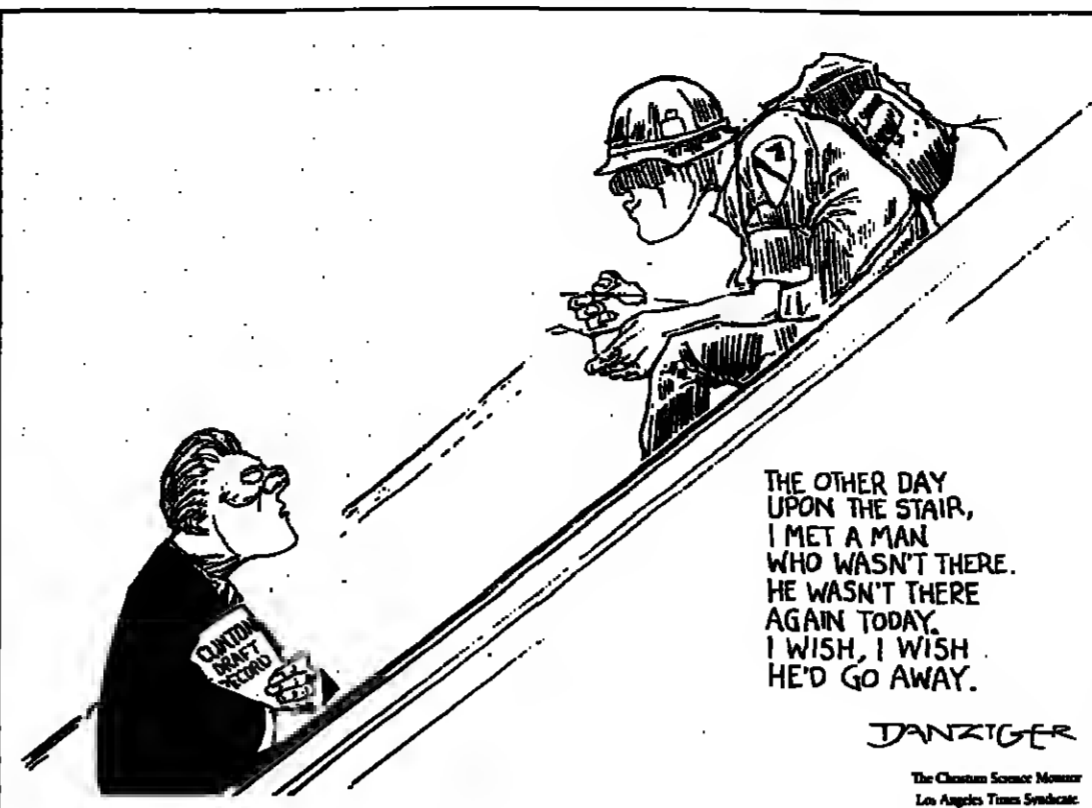
Earlier this month, the president signed NSD-26, Mr. Baker was reminded, "mandating pursuit of improved economic and political ties with Iraq." Although Treasury and the Federal Reserve opposed granting further credits to near-bankrupt Iraq, "Our ability to influence Iraqi policies... will be heavily influenced by the outcome of the Commodity Credit Corp. negotiations."

The idea was to convert the grain credits program, which was set up to help U.S. farmers, and turn it into a backdoor foreign aid source, contrary to the will of Congress.

How to accomplish this, as it was becoming known that Saddam was stealing Washington blind? "... to wall off an FY90 CCC program from the BNL investigation," goes the recommendation to Mr. Baker (referring to the 1990 fiscal year, the Commodity Credit Corp., and the Atlanta branch of Banca Nazionale del Lavoro), get an Iraqi promise to "cooperate" in an investigation and to say it won't corruptly handle the new money. In the blank space next to "approve" are the initials "JAB III."

To do that, however, State's legal counsel — denominated "L" in the memo — first had to find out if any Iraqi officials were likely to be prosecuted as criminals. "L has spoken with U.S. Department of Agriculture and independently with the U.S. Attorney's office in Atlanta."

Tragically, however, will recall the objections raised in Congress to evidence that the White House legal counsel had at least twice called the assistant U.S. attorney in Atlanta. In rejecting any suggestion that repeated expressions of interest from the White House constituted undue interference in a criminal



Pull a Lever for Salvation: Mark Twain Would Love It

By Justin Kaplan

CAMBRIDGE, Massachusetts — Some background on the motto "In God We Trust" may be useful in judging the current debate over the role of the deity in American party politics.

Mark Twain would have relished the ongoing tussle for the nation's political soul. The religious right appropriates the deity as a registered Republican, privileged to share the wisdom of Richard Nixon, Spiro Agnew and Ronald Reagan.

Now imprinted on all American coins and bills and supplanting "E Pluribus Unum" as the official national motto, "In God We Trust" first appeared on a bronze two-cent piece near the end of the Civil War. It was authorized, in response to public sentiment, by Salmon P. Chase, Abraham Lincoln's secretary of the Treasury.

President George Bush accused the Democrats of ignoring God altogether, while his vice president appears to be standing at Armageddon, battling for the Lord against the single-parent Children of Darkness.

On the other hand, squads of prominent clergymen denounce as blasphemy, presumption, spiritual vulgarity and woodoo theology the suggestion that a new Republican administration will be the temporal equivalent of the Kingdom of God and woe to those who fail to make the final cut on family and religious values.

What prompted Mark Twain's reflections on "In God We Trust" was one of President Theodore Roosevelt's characteristically convulsive (and ultimately reversible) announcements. He said he planned to remove the words from currency because coins and bills inscribed with them often went into unholy places like gin mills, horse parlors, bordellos and Democratic Party war chests.

A delegation of outraged clergymen, according to Twain, immediately "put up a prodigious assertion unbacked by any quoted statistics and passed it unamusedly in the form of a resolution: the assertion, to wit, that this is a Christian country." Therefore, the motto stood.

One can imagine how this went over with Twain, who believed that in status and influence the clergy yielded about as much usable light as the moon. He also scoffed at the orthodox notion of heaven because in place of sexual intercourse it featured psalm-singing and harp-plucking, neither of which any normal person could abide in unbroken doses.

If the United States is, indeed, "a Christian country," he reasoned, then "so is hell."

"Those clergymen," he continued, "know that, inasmuch as 'Strait is the way and narrow is the gate and few — few — are they that enter in theret' had the natural effect of making hell the only really prominent Christian community in any of the worlds; but we don't brag of this and certainly it is not proper to brag and boast that America is a Christian country when we all know that certainly five-sixths of our population could not enter in at the narrow gate."

For at least five-sixths of the electorate whose salvation will be in the balance in November, this should be a chastening thought.

The writer is general editor of the forthcoming 16th edition of Bartlett's Familiar Quotations, and he won a Pulitzer Prize in 1967 for "Mr. Clemens and Mark Twain." This comment was contributed to The New York Times.

LETTERS TO THE EDITOR

Rostock: A Bill Comes Due

In response to the news analysis "Riots Shake German Politics" (Sept. 2):

Although nearly 8 percent of Germany's population has foreign citizenship, many of its leading politicians, particularly those in the center-right governing coalition, finally refuse to acknowledge publicly that Germany has any immigrants. The reason for this stance is clear: to preserve the fiction of Germany's ethnic "purity."

Differing Views in Japan

Sheila K. Johnson's article "Japan Can Lift the Weight of Apologies Left Unsaid" (Opinion, Sept. 1) seems to overemphasize cultural differences between the United States and Japan.

From inside this politically divided country, it is fairly clear to me that the issue of the emperor's apology for Japan's wartime atrocities in China is influenced more by differences in world views.

A Match Too Soon?

In response to "Message of a Rugby Match" (Other Comment, Aug. 19):

Your editorial excerpt from The Dominion of Wellington might encourage those who read it and know what kind of game rugby is to think that New Zealand is a country with idyllic relationships between white and brown (Maoris and Samoans, plus other Polynesians, Melanesians, and the white population descended in the main, from white settlers who arrived in New Zealand in the early decades of the 19th century).

A Jet Sale and a Promise

The United States has a propensity to forget its promise to maintain the balance between Israel and the Arab world.

President George Bush is deciding whether to provide enhanced F-15s, the most powerful aircraft ever sold to a foreign country, to Saudi Arabia, a country still officially at war with Israel.

A Match Too Soon?

Some white Boer-descended people of South Africa are still segregating, ill-treating, imprisoning and killing the black people of their country.

That my fellow New Zealanders should, once again, after an interval of abstention, travel thousands of miles "to have a game" when they know how abysmally and wickedly white South Africans have

A Word for the Economy

Regarding "Brother, Can You Spare an Economic Moniker? Everyone Agrees Times Are Tough, but Few Ready to Cry 'Depression'" (Sept. 9):

I would suggest that the word or term being sought is "stratification." It signifies the bottom of the trough of two peaks, whereby the world economy is subject to radical phase changes. This is due, in part, to generic technologies, obsolescent economic policies, new employment needs and where the fundamental socioeconomic infrastructure (both hard and soft) has not yet accommodated in changes required or implied.

The infrastructure (especially the soft part, viz. "politics") always lags. As the new structure is put in place, the comparative advantages of nations and trading blocs alter (as do internal social cohorts, for example, blue-collar workers).

In another decade or so, the present lopsided triadic power of world trade (United States / EC / Japan) will be transformed into quadric-power (United States / EC (enlarged) / Japan / Commonwealth of Independent States / Eastern Europe). Thus the triangle will be squared.

THOMAS G. WHISTON, Sussex, England.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The key to know-how.



This 19th century masterpiece by the Prussian court silversmith combines gold and silver inlays in an iron key. This outstanding display of craftsmanship won him the title of master silversmith.

Interest rates in most parts of the world are still high. But, with your substantial assets, you have to think ahead and hedge your investments against erosion. At Swiss Bank Corporation, we have the know-how needed to assist private investors. And over a century of experience too. We can offer you modern risk management tools and tailor-made solutions such as customized investment return profiles and controllable liability exposure. Our products are backed up by first-rate market and financial analysis, a worldwide network of business contacts and outstanding financial strength. Let the Swiss banking know-how of the key Swiss bank work for your security. Why not call one of our people? They know how to listen. In Basel: Michel Meyrat, 41 61 288 2074, Frankfurt: Heinrich Schreiber, 49 69 71 401 700, Geneva: Alan Moses, 41 22 376 6725, Jersey/Channel Islands: Steven Liron, 44 534 36341, London: Louis F. Ackermann, 44 71 711 4855, Luxembourg: Nicolas von May, 352 45 20 30 222, Zurich: Fritz R. Rigoni, 41 1 223 2221 and in more than 50 other major cities around the world.



The key Swiss bank

Liars Tend To Skew The Polls



bruce

Decline

In Paris, the Moscow Scene

By Joan Dupont

PARIS—Director Pavel Lungin, sitting in his Paris apartment, announces that the party is over. He is talking about the euphoria in Moscow after the failure of last year's putsch. He is also talking about the giddy period in the Soviet film industry that ended after the collapse of the empire, the profusion of B movies made on laundered money. Funding is tight these days and new Russian cinema seems to be made in France.

Prize-winning filmmakers like Lungin and Vitali Kanevski, another recent Paris resident, live between two lands, yet they are as far apart as if they had nothing in common. Indeed, each belongs to a different culture. Lungin is from the Moscow intelligentsia; he studied mathematics and linguistics before writing, then directing for the screen. Kanevski grew up near Vladivostok in the eastern reaches of Siberia, next door to Japanese POW camps, a neighborhood rife with prostitution, murder and theft; he has served time in prison.

Both directors attracted worldwide attention in 1990. "Taxi Blues" won the best director award for Lungin at the Cannes Film Festival, where Kanevski's "Freeze, Die, and Resuscitate" won the award for best first film. This year they were back with new films, the films of young men — although they are no longer young — about coming of age in a world of chaos. Lungin's "Luna Park," opening next week in France, is an explosive account of Moscow street gangs. Kanevski's "An Independent Life" (to be released later this month), a sequel to his film autobiography, is a rare view of Siberia in the 1950s.

"I try to talk about eternal things, human things, in the language of new cinema," says Lungin. "I hate elitist cinema: I used to belong to an elite. After spending six months promoting 'Taxi Blues' during the life of a high-class whore in luxury hotels all over the world, I got back to Russia and I was frightened by what I saw. Things had gone farther than I imagined. There was this incredible rise of nationalism — hatred was rampant on the streets — mafia wars between the Ukrainians, the Russians, the Georgians."

"Luna Park," written before the putsch, is constructed like a modern myth: The muscu-

lar young hero belongs to a homosexual-baiting, Jew-bashing gang until his life is changed by the discovery that his father is Jewish. "I used this conflict of the Russian Jew because I'm a Russian Jew, but I could have made a film about an Armenian, an Azerbaijani."

The street toughs of "Luna Park" flex their muscles, ride their bikes, and call themselves The Clean-Up Squad. Lungin found Andrei Gutin, his actor, in a gym: "Moscow is full of these cellars where kids do karate or boxing. This generation feels betrayed. They want revenge on their parents. They only believe in brute force; words are no good, they communicate in animal roars."

"We live in a new jungle. Before, we lived in a big gulag, well protected: Life was orderly, fear immense, but we lived in peace — Armenians, Azerbaijanis, Georgians. Suddenly, we discovered that it was all held together by fear and without fear it all fell apart."

LUNGIN'S background is literary and theatrical. His mother is a translator of Russian literature. During Stalin's anti-Semitic purges his father lost his job in the theater, and the family was poor overnight: "Every time there's change, Russia responds with xenophobia, anti-Semitism. Stalin's death stopped that, and under Brezhnev and Khrushchev, anti-Semitism became a small shower, official but harsh. Under perestroika you had to have your umbrella with you. Now everybody loves Israel, even the anti-Semites, because they want the Jews there and not in Russia. And now everybody is a royalist, as if Russia had been a paradise before those Jews and Freemasons started a revolution."

Lungin expects his film to raise an uproar when it opens in Moscow later this month. "It touches an open wound, revives old questions: What does it mean to be Russian? How can we explain the poverty of our country? Should we become a democracy, just like any other country, or is Russia a mystical entity? Will Russia save the world as Dostoyevski said?"

Crime, corruption and racial violence were not news to Vitali Kanevski, but the stuff of his daily life and film chronicles. "My films are tough, but if I showed the truth, you wouldn't believe it," he says. "Where I come from, husbands hit their wives, wives chop their husbands' heads off, kids are badly beat-

en and people just laugh. I show normal life; I try to infuse artistic force, humor, along with the crudity and violence."

The director chose his settings and props; he did his own casting, discovering Pavel Nazarov, the teenager who plays in both his films, in the Moscow subway, part of a pack of lawless kids. When "An Independent Life" won the Jury Prize at Cannes this spring, Nazarov was in jail.

Kanevski's father was a violinist from a Polish Jewish family; he met his wife on tour in Siberia, settled there and died during the war. "My mother came from a simple background; she beat me a lot. I developed a tough hide, yet I was always attracted by art — I love the violin. When I was at school, I was struck by a painting by Bosch, stunned by his vision of humanity. And to think that we still live that same horror!"

He saw his first film, a documentary, when he was in the army and decided to go for the entrance exams to the Moscow film institute; his rebellious nature got him into trouble with authority and he was expelled several times. In his last year of school, he was arrested on a rape charge, which he claims was trumped up, and imprisoned for eight years.

"It was rough. The conditions and the climate were terrible. When I got out, I spent a lot of time trying to get warm. I took all kinds of jobs, but I wanted to stay in cinema."

Despite awards and recognition, Kanevski's history sets him apart from other directors. Lungin claims a kinship with Emir Kusturica and with David Lynch, but the filmmaker from Siberia is so busy catching up with the rest of the world he hasn't had time to go to the movies. His big discovery, when he first came to France, was the number of mirrors everywhere. He had never seen so many mirrors.

"I saw myself. I wanted to be better, to look better — that's what cinema does. When I was in jail, I was worn down to the size of a small animal so I had to build myself up. Now I can direct my energy. But my life is the past. I never think of the future. I try, but I can't. I've never had a plan that worked. Why should the future belong to Russia? Just because we've suffered more?"

Joan Dupont is a Paris-based writer specializing in the arts.



Poster for Pavel Lungin's "Luna Park"; inset, director Vitali Kanevski (rear) with actor Pavel Nazarov.

Minority Rights (Make That Lefts)

By Andrew H. Malcolm
New York Times Service

PORT JEFFERSON, New York — Allright, the re-education of America starts here left now. Everyone may be born right-handed. But only a small number of gifted and truly creative people — 10 to 15 percent, according to right-handed calculators — overcome that malady to become lefties.

Yet, American society, which requires that millions be spent to adjust public and private facilities for the sightless or those in wheelchairs, remains among the worst discriminators with barriers for a larger minority, lefties. (Later today, try pulling open a right-handed door with your left hand.)

Some barriers are inconvenient, even humorous; flies in men's trousers were definitely not designed by a lefty. Others can be dangerous; the cords on most irons or the moving parts on circular power saws and other machinery are menacing invitations to injury for southpaws. (One day a century ago, during what must have been a really gripping game of baseball, a Chicago sportswriter noticed that home plate was west of the pitcher's mound. The sportswriter figured out that means left-handed pitchers stand with their throwing arm toward the south. That's the sort of amazing insight that right-handers bring to their work.)

Anyway, this fall offers signs of change, thanks to Ross Perot, George Bush, Bill Clinton and John Diana. Two of these brilliant men did not announce their presidential candidacies. All four are left-handed (watch the waving hand). But so far, only one works to make an alien, awkward world more left-friendly.

DIANA is a 52-year-old businesswoman who runs Left-Handed Solutions Inc. on Long Island. He offers more left-handed paraphernalia than you ever thought existed. How about left-handed potato peelers, grapefruit knives, spatulas, ladles, ice cream scoops and playing cards? Left-handed corkscrews (they go counterclockwise). A revengeful left-handed coffee mug (it dribbles down the chin of right-handed drinkers). And, yes, there's a boomering that returns to southpaws!

Diana is obviously a warm, intelligent fellow who without thinking selects a restaurant table tended by a waiter named Eric Goldstein, obviously a warm, intelligent fellow who — oh, look! — is left-handed.

Diana's company has also published his new book (printed by a left-handed printer): "The Left-Hander's Guide and Reference Manual," a collection of facts, trivia and advice for playing golf, tennis, baseball or bowling.

"You want to know frustration," says Diana, "try translating golf instructions for lefties." Here's a better idea: a Digital Revolution. Let's see how northpaws like a little reverse discrimination, being sinister, ganche and left out.

Let's get the next president to sign (upside down, of course) a new Bill of Lefts. It'll declare all right-handed people digitally incorrect, forcing them to endorse checks at the other end and use only left-handed baseball mitts, fishing reels and left-handed scissors. Unless they twist their fingers painfully, all they do is crimp the paper horribly. The whole class will laugh uproariously and the writing teacher will force them to slant letters the other way.

We'll sell tickets to watch right-handed people pour hot fat backwards from the spout of a left-handed frying pan while wearing a stove-mitten with the Teflon and thumb on the wrong side. The fat will go into a left-handed measuring cup with the printing on the back.

For laughs, we'll move an automobile's

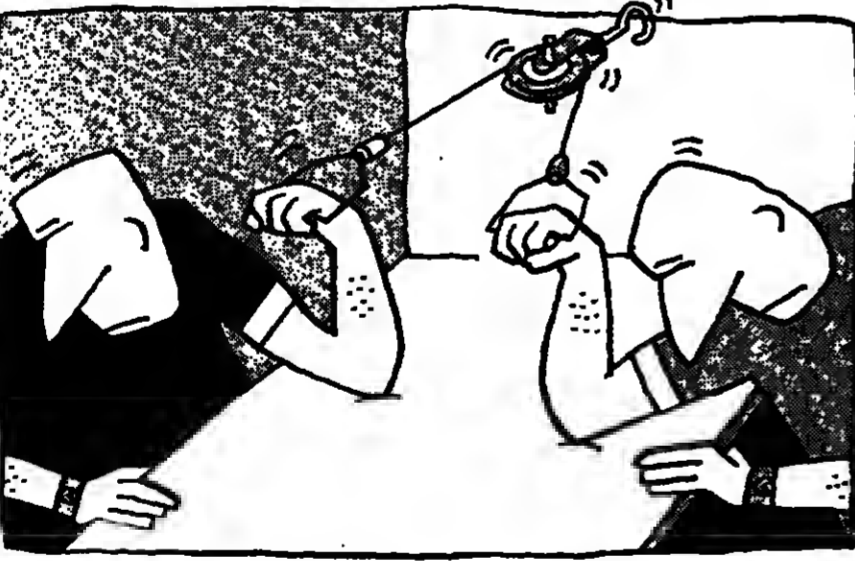
gearshift and radio to the left side. We'll watch right-handers tying and retying neckties left-handed.

Then we'll time their pathetic attempts to find names and words in address books and dictionaries with left-handed letter tabs. Maybe we'll publish a few backwards magazines for left-handed thumbing.

There'll be holidays celebrating the births of left-handed Presidents Harry Truman and Gerald Ford (never mind James A. Garfield). We'll have talk shows with left-handed hosts like Jay Leno, David Letterman, Brent Musburger, Oprah Winfrey and Ted Koppel, interviewing famous guests from Diana's list of lefties: Phil Collins, Glen Campbell, Joanne Woodward, Pat, Dan Aykroyd, George Burns, Robert Redford, Bruce Willis, Goldie Hawn, Whoopi Goldberg and Julia Roberts.

Admiral Nelson, Clarence Darrow, Ben Franklin, W. C. Fields, Charlie Chaplin, Leonardo da Vinci, Michelangelo, Lewis Carroll, Napoleon, Alexander the Great, Queen Victoria and Cole Porter will be unable to appear. (And the Boston Strangler and Jack the Ripper have signed with that tabloid show.)

However, another lefty, General H. Norman Schwarzkopf, will explain Desert Storm's successful assault launched with a flanking sweep to the you-know-where.



LEICA R7.
PERFECTION
MADE
IN GERMANY

Leica
The freedom to see.

THE MOVIE GUIDE

L.627
Directed by Bertrand Tavernier. France.

The action takes place in the seedy headquarters of an anti-narcotics brigade in Paris, in streets and squalid rooms where Lulu (Didier Bezace) and his cohorts route out dealers. Lulu is consumed by a strange passion for this job which keeps his adrenalin pumping: He has no time for his wife (Cécile Garcia-Fogel), but he is attracted to Cécile (Lara Guirao), an HIV positive addict and prostitute. L.627 refers to a French law that penalizes drug consumption and dealing; the movie shows that there are victims on both sides of the law. Tavernier shoots candid camera style, denouncing violence and tawdriness as if classic heroics didn't interest him. But what's left, in terms of the story's core — tough guy togetherness and fallen women stoicism — is not new. These clichés may be inherent to the scene; they are still clichés.

(Joan Dupont, IHT)

Mirai no Omote
Directed by Yoshimitsu Morita. Japan.

Two young women share a common oddity: Every 10 years they die, then come back to life equipped with former memories and the ability to take fuller advantage of what they know is going to happen. Like most of director Morita's ideas, it is a clever one. The girls (Misa Shimizu and Shizuka Kudo) snap back to 1981, all ready to replay and this time really do better the competition and marry Mr. Right. And like many of Morita's clever ideas this one too slowly sinks under all the gimmicky the director invariably piles on. For example, a better English title would have been a straight translation: "Remembering the Future." But Morita insists on calling it "Last Christmas" so that he can then drag in the George Michael number of that name, and all the other teen favorites that clog the soundtrack and stop the action. Then, since he is being mod with music, he can go further — make one of the girls do high fashion, have the other do best-selling manga comics, have peepers around in red Alfa Romeo, take up golf, jet off to Paris. It is curious to find Morita now enthusiastically endorsing all of Japan's various status symbols when it was just these which formed the right-on target of his one good film, "The Family Game."

(Donald Richie, IHT)

Sneakers
Directed by Phil Alden Robinson. U.S.

A band of lovable misfits saves capitalism from certain ruin in "Sneakers," a clicky techno-thriller on the order of "The Seven Samurai" with computer needs. Robert Redford finds he can still sundance as Martin Bishop, an insouciant electronics whiz who is coerced into a covert operation by the National Security Agency. His next-to-impossible mission: to secure a code unscrambler from the enemies of the NSA. Despite all the crypto-crats and political clap-

trap, this is a boisterously funny no-brainer. It begins with a flashback to the '60s, when computer-happy Bishop went underground to escape the feds — he had illegally transferred Republican Party funds into the Black Panther Party's checking account. Now the head of a struggling security business, he is unsearched by the NSA, which offers to clear his record if he and his team of happy hackers will heist a top-secret black box from the San Francisco scientist who invented it. The box holds a microchip capable of accessing all the computer networks in the United States. The black box falls into the hands of a megalomaniac (Ben Kingsley). Phil Alden Robinson's "Field of Dreams" directed and co-wrote the screenplay with the movie's producers, Walter F. Parkes and Lawrence Lasker of the computer-thriller "WarGames." Robinson indulges a geeky fascination for the gimcracks and gadgetry, but he never cheats the human side of the cast.

(Rita Kempley, WP)

Phil Alden Robinson, left, directing "Sneakers." At right, a scene from "L.627."

1500

صحة من الالعمل

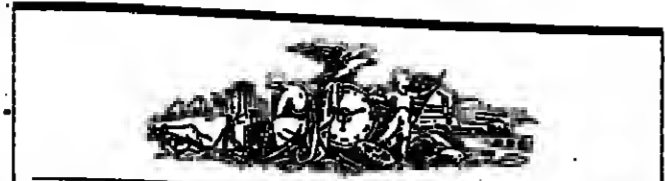
BUSINESS

INTERNATIONAL HERALD TRIBUNE, FRIDAY, SEPTEMBER 11, 1992



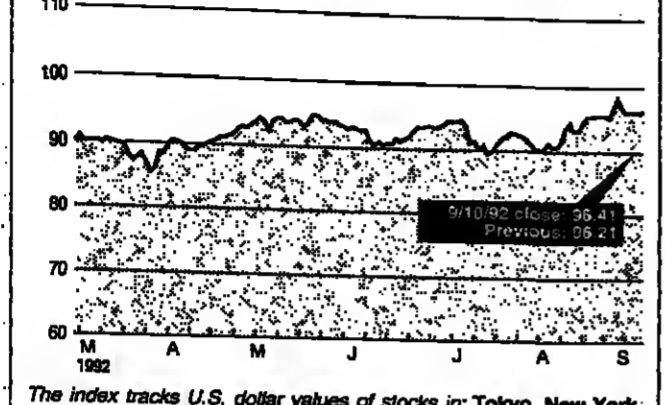
Liar's Tend To Skew The Polls

FLY WITH A NEW FLEET TO SEOUL.



THE TRIB INDEX: 96.41

International Herald Tribune World Stock Index...



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia...

Table with columns for Asia/Pacific, Europe, and N. America. Includes sub-tables for Industrial Sectors (Energy, Utilities, Finance, Services).

ING Plans to Bid for BBL Offer to Value Belgian Bank at \$2 Billion

AMSTERDAM — Internationale Nederlanden Groep NV said Thursday it planned to make a friendly bid for Banque Bruxelles Lambert...

Warning Sounds in Bonn Economics Minister Calls for Interest Rate Cut

By Brandon Mitchener International Herald Tribune FRANKFURT — The German economics minister said Thursday that the country was nearing the limits of its economic resourcefulness...

Russia Plans to Double Energy Prices

MOSCOW — Russia will almost double its controlled domestic energy prices to halt sliding production levels and boost sagging export revenues...

U.S. Firms Scale Back On Plant Investment

WASHINGTON — U.S. businesses scaled back plans for plant and equipment investment this year, the government said in a report on Thursday...

WALL STREET WATCH

Thinking Caps, Hicks Gets Control of Hat Company

By Kenneth N. Gilpin New York Times Service NEW YORK — Would-be Indiana Joneses have worn his fedoras and legions of young people have slipped on his baseball caps...

Sony Launches Disks To Replace Cassettes

TOKYO — Sony Corp. introduced its first products Thursday in a new generation of audio equipment that allows consumers to digital record music.

Asia-Pacific Trade Group Stakes Claim

By Michael Richardson Bangkok — Asian and Pacific nations, moving to strengthen their position as a leading force in the global economy, agreed Thursday to establish a permanent secretariat...

Fujitsu Details Fast Computer

By John Markoff New York Times Service SAN FRANCISCO — Fujitsu Ltd. announced details Thursday of its first massively parallel supercomputer...



Advertisement for Blancpain watches. Text: 'SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE. LUIGI VERGA S.A.S. DI VALERIO VERGA & C. - OROLOGERIA'

CURRENCY & INTEREST RATES

Table with columns for Cross Rates, Eurocurrency Deposits, Key Money Rates, and Forward Rates.

Table with columns for Key Money Rates, Gold, and other financial data.

Source: NBB Bank (Amsterdam); Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Agency France Press (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); DAF (Geneva). Other data from Reuters and AP.

MARKET DIARY

Stocks Rebound As Investors Return

NEW YORK — U.S. stocks rose sharply Thursday as a mild recovery in the dollar and low interest rates lured institutional investors into the market.

The Dow Jones industrial average rose 33.77, to 3,305.16. Computer-guided buy orders also helped the rally.

Advancers outpaced decliners by a 9-to-5 margin on the New York Stock Exchange, where volume jumped to 233 million shares, the most active trading in more than a month. On Wednesday, 172.89 million shares changed hands.

"What's been putting the market down — poor confidence in Bush, fears that Clinton will win the election, and the dollar in a freefall — some of those concerns were alleviated today," said Robert Stovall, president of Stovall/Twenty-First Advisors.

"The market was higher before Bush spoke, and it kept on going," Mr. Stovall said. In a speech to the

Detroit Economic Club, President George Bush said he favored a 1 percent across-the-board tax cut as part of his economic package.

Mr. Bush's comments caused Treasury bonds to fall briefly before they rebounded as bond traders dismissed the president's call for lower rates. The yield on the benchmark 30-year bond slipped to 7.24 percent from 7.26 percent.

Telefonos de Mexico was the most active issue on the Big Board. The company's American depositary receipts fell 1/4 to 42 1/2 as concerns about high yields on Mexican Treasury bills weighed on Mexico's stock market.

Tele-Communications, the largest U.S. cable systems operator, was the most active over-the-counter issue. It was up 1/8 to 18 1/2 amid a rally in cable stocks sparked by positive comments from analysts and the fading prospect of deregulation.

Nabors Industries led the American Stock Exchange actives, up 1/4 to 8 1/4.

Foreign Exchange

posals to declare an economic emergency allowing the government to act on its own, insisted before a committee of Parliament that Rome would not devalue the lira.

Despite the renewed determination to resist devaluation displayed this week in Italy, Britain and Sweden, there were still widespread doubts among currency traders about whether the governments in charge of the weaker European currencies would be able to withstand the pressure indefinitely. A rejection of the Maastricht treaty by French voters in the Sept. 20 referendum would probably spark a crisis in the exchange markets.

If Italy is forced to devalue, speculators "will come out of their caves smelling blood" and attack other vulnerable currencies such as the Swedish krona and the pound, said Keld Holm at Lehman Brothers in London.

For all the focus on currency speculation, the role of the European economic dilemma is Germany's policy of high interest rates designed by the Bundesbank to squeeze out domestic inflation that

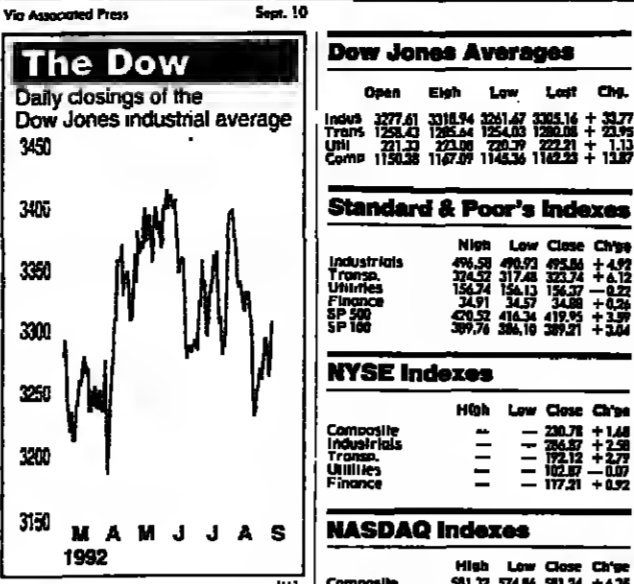


Table of Dow Jones Averages: Index, High, Low, Close, Change. Includes Standard & Poor's Indexes, NYSE Indexes, NASDAQ Indexes, and Dow Jones Bond Averages.

Table of NYSE Most Actives: Volume, High, Low, Last, Change. Lists top trading stocks like Telefonos de Mexico, Tele-Communications, Nabors Industries, and others.

Table of NYSE Diary: Advances, Declines, Unchanged, Total Issues, New Highs, New Lows.

Table of NASDAQ Diary: Advances, Declines, Unchanged, Total Issues, New Highs, New Lows.

Dollar Hits Rhone-Poulenc
PARIS — Rhone-Poulenc SA, the state-owned chemicals group, on Thursday cut its operating profit forecast for 1992, saying the result would only climb about 10 percent to 15 percent.

The company said it changed its forecast because of the adverse effect of the recent fall in the dollar and after seeing its preliminary growth figures for August.

Rhone-Poulenc stock plummeted 70 francs (\$14.62), or 11.7 percent, to 530 francs at the close on the Paris Bourse.

EUROPEAN FUTURES

Table of European Futures: Close, High, Low, Prev. Close, Change. Includes SUGAR (FOX), COFFEE (IBEX), and Cocoa (FOX).

Metals

Table of Metals: Close, High, Low, Prev. Close, Change. Includes ALUMINUM (IBEX), COPPER (IBEX), and ZINC (IBEX).

Stock Indexes

Table of Stock Indexes: High, Low, Close, Change. Includes FTSE 100 (LIFPE), Nikkei 225 (LIFPE), and Hang Seng (LIFPE).

Commodity Indexes

Table of Commodity Indexes: High, Low, Close, Change. Includes Energy (IBEX), Grains (IBEX), and Metals (IBEX).

Financial

Table of Financial: High, Low, Close, Change. Includes 3-MONTH STERLING (LIFPE), 3-MONTH EURO (LIFPE), and 3-MONTH EURO (LIFPE).

U.S. FUTURES

Table of U.S. Futures: High, Low, Close, Change. Includes WHEAT (CBT), SOYBEAN (CBT), and CORN (CBT).

Metals

Table of Metals: High, Low, Close, Change. Includes NY GRADE COPPER (COMEX), GOLD (COMEX), and SILVER (COMEX).

Grains

Table of Grains: High, Low, Close, Change. Includes WHEAT (CBT), SOYBEAN (CBT), and CORN (CBT).

Stocks

Table of Stocks: High, Low, Close, Change. Includes NYSE INDEX (COMEX), NASDAQ INDEX (COMEX), and DOW JONES (COMEX).

Financial

Table of Financial: High, Low, Close, Change. Includes 3-MONTH STERLING (LIFPE), 3-MONTH EURO (LIFPE), and 3-MONTH EURO (LIFPE).

Food

Table of Food: High, Low, Close, Change. Includes COFFEE (IBEX), SUGAR (FOX), and Cocoa (FOX).

Books, Films Aid Paramount Profit

NEW YORK (UPI) — Paramount Communications Inc., citing gains in entertainment and publishing, reported Thursday earnings \$113.3 million for its third quarter ended July 31, up 12.0 percent from earnings of \$101.2 million in the like period last year.

Sales were \$1.06 billion, up from \$963.9 million in the year-ago quarter. The earnings were in line with expectations, and Paramount rose \$1.25 to \$45, on the New York Stock Exchange. Publishing operations were led by seasonal strength in education and sharp gains in consumer books, while entertainment results were boosted by motion picture and television results.

GM Car Venture in Poland Is Delayed

DETROIT (Bloomberg) — General Motors Corp. said Thursday that plans to jointly build cars with Fabryka Samochodow Osobowych of Poland by early 1993 have been delayed until at least the end of next year.

"There are a number of factors that have yet to be mutually resolved," a GM spokesman said. GM announced plans Feb. 28 to initially invest about \$75 million and form a joint venture company with FSO to assemble 30,000 Opel Astra cars a year, using about 1,000 of FSO's 19,000 workers.

Northwest Sets Pilot Deal With KLM

ST. PAUL, Minnesota (Bloomberg) — Northwest Airlines, moving to cement its new relationship with KLM Royal Dutch Airlines, said Thursday that 48 laid-off Northwest pilots would be based in Amsterdam to fly KLM Boeing 747s.

The 48 will serve as "cruise" pilots on long-range flights from Amsterdam to South America, Asia and South Africa, relieving the KLM captain or first officer as needed on the international flights.

The flyers will wear KLM uniforms and work under KLM rules, with Northwest administering pay and benefits. KLM will reimburse Northwest for the pilots' services, the company said. The transfers were offered to the 110 pilots who were laid off in July.

Clifford's Federal Trial Is Postponed

WASHINGTON (AP) — A judge postponed Thursday the federal trial of former U.S. Defense Secretary Clark M. Clifford and his law partner in the Bank of Credit & Commerce International until after their New York state trial next year.

As a result of the decision, Mr. Clifford and Robert Altman will not face trial on federal fraud charges before next March. The federal case, originally scheduled for this fall, could even be dismissed. The broader, more serious charges against the two men in the New York trial include accepting \$40 million in bribes from BCCI, which has pleaded guilty to federal racketeering charges.

At the hearing, Judge Joyce Hens Green of U.S. District Court also said she had decided to appoint a cardiologist to examine Mr. Clifford, 85, as he and the government had requested. Doctors have said that the stress of a trial could bring Mr. Clifford to suffer a possibly fatal heart attack.

Du Pont Cool on Conoco's Prospects

PHILADELPHIA (Combined Dispatches) — Du Pont Co. said Thursday it was unsure if its Conoco oil and gas unit could meet Wall Street analysts' expectations for 1992 earnings of about \$3.10 a share.

Bruce L. Beardwood, Du Pont's vice president of investor affairs, said that to achieve that result the petroleum industry would have to perform better in the second half than in the first. He said earnings performance also depended on a restructuring designed to trim \$1 billion in start costs, and on an improvement in the U.S. economy.

National Semiconductor Posts Profit

SANTA CLARA, California (Bloomberg) — National Semiconductor Corp. said Thursday that net profit for the quarter ended Aug. 30 amounted to \$21.9 million, after a loss of \$168 million in the same period a year ago. It said a resurgent data communications market had contributed to the turnaround. Sales rose to \$472.2 million from \$411.0 million.

Last year, National Semiconductor, the world's 11th-largest semiconductor maker, took a \$149.3 million first-quarter charge as part of a move to regain competitiveness. It has since had four straight profitable quarters.

WORLD STOCK MARKETS

Table of World Stock Markets: Market, Close, Prev. Close, Change. Lists markets from Amsterdam to Zurich.

Paris

Table of Paris Stock Market: Stock, Close, Prev. Close, Change. Lists stocks like Air Liquide, Bouygues, and others.

Sydney

Table of Sydney Stock Market: Stock, Close, Prev. Close, Change. Lists stocks like BHP, Telstra, and others.

London

Table of London Stock Market: Stock, Close, Prev. Close, Change. Lists stocks like British Airways, BT, and others.

Stockholm

Table of Stockholm Stock Market: Stock, Close, Prev. Close, Change. Lists stocks like Alfa, Ericsson, and others.

Toronto

Table of Toronto Stock Market: Stock, Close, Prev. Close, Change. Lists stocks like Agnico Eagle, Inco, and others.

Financial

Table of Financial: Instrument, High, Low, Close, Change. Lists 3-month rates and other instruments.

Stock Indexes

Table of Stock Indexes: Index, High, Low, Close, Change. Lists NYSE, NASDAQ, and other indices.

Commodity Indexes

Table of Commodity Indexes: Index, High, Low, Close, Change. Lists Energy, Grains, and Metals indices.

كوكا من الاصل

IMF Warning on Threat From Deficits

Compiled by Our Staff From Dispatches

WASHINGTON — Mushrooming budget deficits in the United States and other industrial nations pose a serious threat to the well-being of the global economy, the International Monetary Fund warned on Thursday.

The IMF, which regularly reviews economic policy-making, urged officials to act decisively to stem government red ink by raising taxes, cutting expenditures or a combination of both. In its annual report, the international lending agency said that virtually any step to deal with the growing problem was preferable to doing nothing.

The IMF is worried because it believes that the burgeoning budget deficits of industrial countries are absorbing the world's scarce resources, often for unproductive uses, and helping to keep global interest rates high worldwide.

At the same time, all of capitalism's economic powerhouses — the United States, Japan and Germany — are experiencing economic malaise or outright recession.

In the past, the IMF has been critical of the mountain of debt accumulated by the United

States, scolding Washington for being unable to curb its deficit growth.

But officials made clear that this was not a U.S. problem alone, citing deficit increases in Britain because of its recession as well as in Germany, where the country is attempting to absorb the costs associated with reunification.

Germany, for its part, has been widely blamed for exacerbating the European recession and slashing the value of the dollar as a result of its policy of holding interest rates high.

IMF officials agreed that the German position was undermining economic growth in Europe but said this did not necessarily mean German policy-makers should reconsider their position.

"This does not mean, however, that the board would favor a relaxation of monetary policy in Germany, given the constraints Germany is facing," the official said.

At the same time, he said the IMF board was "concerned about the weakness of the dollar."

IMF officials were also awaiting legislative action that would increase the IMF's own resources by 50 percent, to about \$200 billion.

Officials said the lending agency was hopeful that enough of its member nations, including the United States, would approve the funding in the next few weeks, allowing the needed increase in capital to be put in place.

The deadline for obtaining those commitments has been set for Sept. 30 but could be delayed, an official said.

So far, 117 countries representing 83.2 percent of the voting rights have accepted the new formula, but 52 nations, including the United States and Italy, have refused.

In order to implement the increase, it must be approved by three-fifths of IMF members, representing 85 percent of the voting rights.

The IMF said that it has adequate funding for the time being to conduct its lending operations but that its capital is being eroded and could be reduced even more by the end of the year.

In a review of its fiscal year that ended April 30, the IMF said its new loan commitments totaled \$12.9 billion, compared with \$8.3 billion the previous fiscal year.

(Reuters, APF)

NASDAQ

Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, contains of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close
IBM	154 1/4	153 3/4	154	154 1/4
MSFT	103 1/4	102 3/4	103	103 1/4
GE	48 1/4	47 3/4	48	48 1/4
DIS	63 1/4	62 3/4	63	63 1/4
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4
PFE	43 1/4	42 3/4	43	43 1/4
MRK	51 1/4	50 3/4	51	51 1/4
UNION	45 1/4	44 3/4	45	45 1/4
WAL	41 1/4	40 3/4	41	41 1/4

Symbol	High	Low	Open	Close
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4
PFE	43 1/4	42 3/4	43	43 1/4
MRK	51 1/4	50 3/4	51	51 1/4
UNION	45 1/4	44 3/4	45	45 1/4
WAL	41 1/4	40 3/4	41	41 1/4
DUK	42 1/4	41 3/4	42	42 1/4
ENR	40 1/4	39 3/4	40	40 1/4
WAT	38 1/4	37 3/4	38	38 1/4
EDS	36 1/4	35 3/4	36	36 1/4
QNTM	35 1/4	34 3/4	35	35 1/4

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close
IBM	154 1/4	153 3/4	154	154 1/4
MSFT	103 1/4	102 3/4	103	103 1/4
GE	48 1/4	47 3/4	48	48 1/4
DIS	63 1/4	62 3/4	63	63 1/4

Symbol	High	Low	Open	Close
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4
PFE	43 1/4	42 3/4	43	43 1/4
MRK	51 1/4	50 3/4	51	51 1/4

Symbol	High	Low	Open	Close
UNION	45 1/4	44 3/4	45	45 1/4
WAL	41 1/4	40 3/4	41	41 1/4
DUK	42 1/4	41 3/4	42	42 1/4
ENR	40 1/4	39 3/4	40	40 1/4

Symbol	High	Low	Open	Close
WAT	38 1/4	37 3/4	38	38 1/4
EDS	36 1/4	35 3/4	36	36 1/4
QNTM	35 1/4	34 3/4	35	35 1/4

Symbol	High	Low	Open	Close
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4
PFE	43 1/4	42 3/4	43	43 1/4
MRK	51 1/4	50 3/4	51	51 1/4

Symbol	High	Low	Open	Close
UNION	45 1/4	44 3/4	45	45 1/4
WAL	41 1/4	40 3/4	41	41 1/4
DUK	42 1/4	41 3/4	42	42 1/4
ENR	40 1/4	39 3/4	40	40 1/4
WAT	38 1/4	37 3/4	38	38 1/4
EDS	36 1/4	35 3/4	36	36 1/4
QNTM	35 1/4	34 3/4	35	35 1/4

Symbol	High	Low	Open	Close
IBM	154 1/4	153 3/4	154	154 1/4
MSFT	103 1/4	102 3/4	103	103 1/4
GE	48 1/4	47 3/4	48	48 1/4
DIS	63 1/4	62 3/4	63	63 1/4
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4

Symbol	High	Low	Open	Close
UNION	45 1/4	44 3/4	45	45 1/4
WAL	41 1/4	40 3/4	41	41 1/4
DUK	42 1/4	41 3/4	42	42 1/4
ENR	40 1/4	39 3/4	40	40 1/4
WAT	38 1/4	37 3/4	38	38 1/4
EDS	36 1/4	35 3/4	36	36 1/4
QNTM	35 1/4	34 3/4	35	35 1/4

Symbol	High	Low	Open	Close
IBM	154 1/4	153 3/4	154	154 1/4
MSFT	103 1/4	102 3/4	103	103 1/4
GE	48 1/4	47 3/4	48	48 1/4
DIS	63 1/4	62 3/4	63	63 1/4
INTL	56 1/4	55 3/4	56	56 1/4
JNJ	57 1/4	56 3/4	57	57 1/4

1520

Japan Economy Marks Time

Compiled by Our Staff From Dispatches
TOKYO — Japan's economy has not hit bottom yet as both consumer spending and corporate capital investment remain sluggish, a government report concluded Thursday.

The officials added that while the economy has yet to feel the full impact of the stimulus package, most companies have welcomed the initiative. They added that the package has helped ease fears of further falls in stock prices.

In another development, analysts said that Japan was set to draw up a \$24 billion supplementary budget in coming months to help finance the government's pump-priming economic package.

The supplementary budget for the fiscal year ending next March would be aimed at covering 1.96 trillion yen (\$16 billion) in government spending needed for public works projects, which are included in the 10.7 trillion yen package.

Interest payments on fiscal investment and loan programs, as well as wage increases for public servants, also would be financed by the extra budget, analysts said.

The government may hold an extraordinary parliamentary session to map out the supplementary budget in late October or early November, when the Finance Ministry is expected to complete the supplementary budget bills, analysts said.

Finance Ministry officials have said the ministry would probably await the result of end-September corporate book closings before drawing up a draft budget.

"We cannot project tax revenues in the current fiscal year until then," an official said.

Analysts say that renewed concerns over Japan's political scandals could delay passage of supplementary budget bills, but they played down the possibility that the delay would have a serious effect on the domestic economy.

(AFP, Reuters)

CITIC Unit Sets Pace in Hong Kong

Compiled by Our Staff From Dispatches
HONG KONG — China's main listed investment vehicle here, CITIC Pacific Ltd., reported a huge surge in profit Thursday, underlining its drive to challenge the supremacy of the local and British-run business establishment.

CITIC Pacific, a unit of Beijing's China International Trust & Investment Corp., reported a profit of 439.5 million dollars (\$56.9 million) in the first six months of the year, up from 41.9 million dollars in the same period last year.

Chairman Larry Yung attributed the jump to the company's landmark purchase last year of a private trading concern, Hang Hong Investment Co., and contributions from its stakes in Cathay Pacific and Dragonair.

Sales climbed to 3.23 billion dollars from 61.33 billion dollars in 1991, current-account deficit.

(Reuters, Bloomberg)

Australia Slowly Crawls From Depths of Decline

Bloomberg Business News
SYDNEY — The Australian economy is slowly clawing its way out of the worst recession in 60 years, but data released Thursday helped explain why few here had any hope for a major turnaround this year.

The government said the August jobs rate remained at a near-record 10.9 percent and retail sales in July edged up just 0.6 percent. Private indicators pointed to weak consumer confidence and slumping savings rates.

Economists say the economy's biggest problem is the persistence of the slowdown in the rest of the industrialized world, which Australia depends on to buy its agricultural and mining commodities.

"We are a small country, and you don't grow by yourself," said Aisling Kinch, economist at Bain & Co. It will be early next year before the Australian economy shows real signs of recovery, she said.

Australia slid into recession in 1990 after the government raised interest rates to 18 percent to cool an overheated economy and reduce a 22 billion Australian dollar (\$15.79 billion) current-account deficit.

Investor's Asia

Table with columns: Exchange, Index, Hang Seng, Straits Times, Tokyo Nikkei 225, Thursday Close, Prev. Close, % Change

Very briefly:

- Australian Airlines, the government-owned carrier due to be taken over by Qantas Airways, reported a 49.3 million dollar (\$35.4 million) loss in the year to June 30, after a profit of 66 million dollars last year.

ADB Sees Steady Capital for Asia

MANILA — Developing countries in the Asia-Pacific region will be able to tap adequate external financing despite a tight world market, the Asian Development Bank said Thursday.

Notwithstanding the global recession, domestic problems of major lenders and heightened demands from Central and Eastern Europe, the Asia-Pacific region will remain attractive to capital, the bank said.

The bank said resource inflows into the region fell sharply to \$12 billion in 1987 from \$24 billion in 1983 but rose steadily to \$32 billion in 1990.

The fast-growing economies of China and Southeast Asia will attract the bulk of investment in the region in the 1990s, while impoverished South Asia will be the main recipient of loans.

South Asia will account for a third of the outstanding debt, which will increase significantly in India, Nepal and Sri Lanka in 1993 and 1993.

Hong Kong, South Korea, Singapore and Taiwan will remain significant capital exporters in the region while attracting large amounts of foreign direct investment, the ADB said.

In Southeast Asia, Malaysia will reduce its reliance on foreign debt, but its neighbors are likely to increase their borrowings.

China's external debt will expand, but foreign direct investment and portfolio investment are expected to surge as a new phase of economic reforms attracts foreign funds.

A senior ADB official warned that the growing gap between rich and poor provinces in China could lead to widespread discontent. Eichl Weatanabe, director of the bank's programs department, said China's high economic growth rate would not solve the problem.

(AFP, Bloomberg)

India Warns Banks to Obey Rules

BOMBAY — India's central bank, attempting to tighten regulations in the wake of a major financial scandal, warned local and foreign banks Thursday that they faced "severe penal action" if they flouted its rules.

Some of the rules apparently had been breached during a \$1.2 billion securities scandal uncovered last April in which brokers and bankers colluded to siphon money from government securities in order to artificially boost the stock market.

S. Venkatarman, governor of the Reserve Bank of India, said the warning, issued in a circular distributed to commercial banks, merely repeated existing regulations. The bank also did not spell out what action it would take if there were further breaches.

He said further that he did not think the scandal had inflicted any permanent damage to the banking system. But he said that the supervisory system for banks would be improved and the role of statutory auditors strengthened.

Two small Indian banks said by prosecutors to have been used to siphon money have been closed down.

"It is remarkable that in spite of this scam and irregularities, people have not lost confidence in the banking system," Mr. Venkatarman said. "Bank deposits have improved, credit has increased and I think in the whole country, the banking system has come back to normalcy with remarkable speed."

While the circular did not name banks that had broken the rules, an earlier report had said that Bombay units of Citibank and Bank of America were among the banks that had committed irregularities in securities deals. Both have denied any wrongdoing.

Standard Chartered Bank was most affected among the foreign banks and has made provisions of \$100 million (\$198 million) to cover possible losses.

At least 30 people have been arrested so far in connection with the scandal, including Harshad Mehta, a prominent broker who has said he was being unfairly singled out for prosecution.

Discovery of the scandal caused share prices to tumble, but the market has largely recovered since.

ADVERTISEMENT

INTERNATIONAL FUNDS

Sept. 10, 1992

Questions supplied by funds listed. Not exact values. Restrictions are specified with the exception of some quotes based on news wire. The truncated symbols indicate frequency of quotations specified: d=daily; w=weekly; bi=bi-monthly; r=quarterly; t=twice weekly; m=monthly

Large table listing various international funds with columns for fund names, symbols, and prices.



For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

OBSERVER

Taken at the Ball Game

By Russell Baker
NEW YORK — The newspapers say the baseball commissioner...
I have been thoroughly soaked, narrated you might say, in the propaganda of baseball.

Ken Kesey, Minister of Misinformation

By David Streitfeld
Washington Post Staffer

PLEASANT HILL, Oregon — Folks hereabouts always know when Ken Kesey is passing by, if he's not in his multicolored 1947 school bus, he's scooting along in a souped-up '73 Cadillac Eldorado, the color of cream and big as a one-bedroom apartment.



Frankster Kesey: For his "Sailor Song," very mixed reviews.

Two years later came a second novel, "Sometimes a Great Notion." Kesey became a hero to the nascent hippie movement. He was busted, busted again, faked suicide and fled to Mexico. He came back, was arrested, made some noises about how maybe drugs weren't the final answer, and officially dropped writing. "I'd rather be a lightning rod than a seismograph," he said.

After serving his five months on a work farm, he went home to Oregon. The '70s were not years of high visibility. "Kesey's Garage Sale" (1973) was a coffee-table book of scraps and memorabilia. He wrote some fine essays, eventually collected in "Denon's Boy" (1986), and worked the farm. He started writing, and then abandoned them. In 1984, his son Jed, a wrestler like his father, was killed in a car accident on his way to a meet. Kesey, then working on "Sailor Song," abandoned it in despair. The '60s were very far away.

PEOPLE

Rock 'n' Ranch Time At MTV Music Awards

Veterans Van Halen, Eric Clapton, Annie Lennox and Metallica and newcomers the Red Hot Chili Peppers were the big winners at the 1992 MTV Video Music Awards, a ceremony in Los Angeles that was dominated by provocative, bawdy routines. Van Halen's "Right Now" was named best video; Clapton's "Tears in Heaven" best male video; Lennox's "Why" best female video; and Metallica's "Enter Sandman" best metal/hard rock video. Nirvana was named best artist for their "Smells Like Teen Spirit" and U2's "Even Better Than The Real Thing" best group video.

President Francois Mitterrand and Culture Minister Jack Lang are not leaving a stone unturned in their effort to persuade the French to vote "yes" in the referendum Sept. 20 on the Maastricht treaty. They have gotten endorsements from 300 celebrities, including Catherine Deneuve, Gerard Philipe, Clint Eastwood, Eton John, Glenn Domingue, and Marguerite Duras.

Leonora Helmsley's health seems to have improved dramatically. Her attorney, Robert H. Berk, says, "She's perfectly healthy." Helmsley is serving a four-year sentence for tax evasion. Four hours after being sentenced to prison in March, she was hospitalized with palpitations and chest pressure.

Six novels have been nominated as finalists for Britain's Booker Prize. They are "Black Dogs" by the British author Ian McEwan; "Serenity House," by the South African writer Christopher Hope; "The Butcher Boy," by Patrick McCabe of Ireland; "Sacred Hunger" by the English novelist Barry Unsworth; "The English Patient," by the Sri Lankan-born Canadian Michael Ondaatje; and "Daughters of the House," by the French-American writer, a French-British writer.

The American University of Paris is celebrating its 30th anniversary with a new president, Glenn W. Ferguson. The school, founded in 1962 as the American College, has about 1,000 students. Ferguson, a former U.S. ambassador to Kenya, has headed several educational institutions in the United States.

TODAY'S REAL ESTATE MARKETPLACE
Appears on Page 4
PERSONALS MOVING
MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world...

INTERNATIONAL CLASSIFIED
MOVING interdean INTERNATIONAL MOVERS
BUSINESS OPPORTUNITIES BRUSH NON-RESIDENT COMPANIES E195
BUSINESS OPPORTUNITIES AMERICAN MUSCLE CARS
BUSINESS OPPORTUNITIES OFFSHORE
BUSINESS TRAVEL FINANCIAL SERVICES
ANNOUNCEMENTS THE AMERICAN UNIVERSITY OF PARIS
SATELLITE TV

AUTO RENTALS EUROPE AUTO BROKERS, Inc
HEALTH/MEDICAL SERVICES
LEGAL SERVICES

HOLIDAYS & TRAVEL
LOW COST FLIGHTS
HOTELS
CHRISTMAS GIFTS
VISITING LONDON
LOW COST FLIGHTS
ACCESS VOYAGES
PHILIPPINES
BEST WESTERN HOTEL LA CORONA

HOLIDAYS & TRAVEL
HOLIDAY RENTALS
MEXICO
CARIBBEAN
GREAT BRITAIN
SPAIN
HOLIDAYS & TRAVEL
HOLIDAY RENTALS
FRENCH PROVINCES
MALLORCA
SEVILLE
CUTY COUSINE
HOLIDAYS & TRAVEL
HOLIDAY RENTALS
MEXICO
CARIBBEAN
GREAT BRITAIN
SPAIN

BUSINESS SERVICES
FULLY INTEGRATED BUSINESS SERVICES
MIA SCHON
MUNICH ROUND
ALCOHOLIC ANTIWASHING
WHOLESALE BUSINESS SERVICES AG

BUSINESS SERVICES
FULLY INTEGRATED BUSINESS SERVICES
MIA SCHON
MUNICH ROUND
ALCOHOLIC ANTIWASHING
WHOLESALE BUSINESS SERVICES AG

Place Your Classified Ad Quickly and Easily
INTERNATIONAL HERALD TRIBUNE
HEAD OFFICE
PARIS (for classified only)
EUROPE
NORTH AMERICA
FAR EAST

ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES

ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES

ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES
ESCORTS & GUIDES

ACROSS
22 Noted Nigerian singer
23 Preacher's subject
42 Wholeness
44 Nixon's "Six"
48 Stewart or Steiger
47 Bingie
48 Eschew restaurants
51 Thomas's problem
53 Diminish
56 Title for Zappa
57 Marx's memoirs?
59 Gonzo follower
60 Louthe
69 Up to the time of
61 Middlecoff of gott lama
62 Change for a five
63 Ret's call's
64 London's "Martin"

DOWN
1 Word for a buttnitsy
2 Operatic showstopper
3 Cohnna, a.g.
4 Stout
5 Miltzner design
6 — Bar (George Orwell)
7 — majesté
8 Side of a triangle
9 Computer
10 Flucky-ducky
11 Level
12 Without
14 Patriots' targets
17 Linguist
18 Chomsky
19 Stone or Reed
20 Altimative in Argentina
21 Precocious girl
22 Campaign issue
23 Miller's salesman
24 Financial-statement item
27 Piñata filling
28 Assns.
29 Prices
30 Word in three clues herein
31 — a fox
32 Coin
33 Symbol of power
37 Headed for overrima
38 Make the copy right
43 Van Gogh subject
44 A computer language
46 Parrot
48 Thicke or Bates
49 Schlep
51 Submerge
52 — von
53 Bismarck
54 Mild oath

TO OUR READERS IN SWITZERLAND
It's never been easier to subscribe and save. Just call our Zurich office toll free: 155 57 57 or Fax: (01) 481 82 88
Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris.

تكونا من الأصل